How an intertwined set of trends will impact fraud in your organization.

**FRAUD TRENDS TO WATCH IN 2021**

1. LexisNexis® Risk Solutions Cybercrime Report
2. 2020 True Cost of Fraud™ Study: Financial Services and Lending
3. Federal Reserve - Synthetic Identity Fraud in the U.S. Payment System
4. LexisNexis® Risk Solutions Cybercrime Report
5. LexisNexis® Risk Solutions Cybercrime Report
6. Digital Guardian: The history of data breaches
7. Forbes: 50 Stats Showing Why Companies Need To Prioritize Consumer Privacy
8. Javelin: Identity Fraud Losses Increase 15 Percent as Consumer Out-of-Pocket Costs More Than Double
10. 2020 True Cost of Fraud™ Study: Financial Services and Lending

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**IMPACT ON FRAUD: IDENTITY PROOFING IS EVEN MORE CHALLENGING.**

Identity proofing is the #1 challenge for organizations as fraudsters leverage digital channels to launch more sophisticated and complex types of fraud.

- **Synthetic Identities**
  - 86%-95% of applicants identified as potential synthetic identities are not flagged by traditional fraud models

- **Bot Attacks**
  - 38% growth (YoY) in bot volume targeting financial services organizations

- **Fraud Network Attacks**
  - 5 online retailers and 1 online marketplace were exposed to $27.9 million USD in fraud from a network consisting of 850 devices, 134,000 email addresses, and 61,000 telephone numbers

More bad actors enter the stage; in addition to professional fraudsters who are always at play, economic hardships can induce others to engage in fraudulent activities.

Organizations are more sensitive to customer friction during slower economic periods and more concerned about lost opportunities.

Consumer stress and fear can lead to riskier transaction behaviors; this can increase successful tactics for malware infection on devices and theft of personal identification information.

**IMPACT ON FRAUD: PHYSICAL AND DIGITAL CONSUMER DATA IS FUEL FOR FRAUDSTERS.**

Fraudsters use this sensitive information to launch account takeover and new account creation attacks.

- **Account takeover accounts are up 72%**
- **1 in 7 new account creations are fraudulent**

**IMPACT ON FRAUD: VOLUME OF FRAUD GROWS AS BAD ACTORS EXPLOIT WEAKNESSES.**

Successful fraud attacks increased significantly since the start of the economic shutdown:

- **Ecommerce** increased 83.1%
- **Retail** increased 61.5%
- **Financial services** increased 58.1%
- **Lending** increased 40.5%

Over 4,500 data breaches have been made public since 2005, with more than 816 million individual records breached.

A hacker attack happens every 39 seconds

**TOP 3 TIPS FOR EVOLVING YOUR FRAUD STRATEGY IN 2021**

1. **Leverage a 360-degree view of your customers.** Effectively fight emerging fraud attacks by integrating consumer and synthetic identities, by combining physical and digital identity data to get the full view of the "customer."

2. **Utilize multiple layers of fraud defense.** Quickly identify valuable customers and powerless more fraud with a shared intelligence strategy that uses multiple layers of fraud defense.

3. **Prioritize customer experience.** Protect your customer relationship and fight more fraud with an approach that integrates your cybersecurity and digital customer experience strategies with fraud prevention efforts.